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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/733,483	12/11/2003	Marc Michael Groz	MG112504USNP	7697
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MARK S. NOWOTARSKI				
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STAMFORD, CT 06906				
EXAMINER				
PRESTON, JOHN O				
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3691				
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

10/733,483

Applicant(s)

GROZ, MARC MICHAEL

Examiner

JOHN O. PRESTON

Art Unit

3691

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 09 June 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1,22-36 and 41 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1,22-36 and 41 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 11 December 2003 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

Status of Claims

1. This action is in reply to the applicant's response filed on June 9, 2008.
2. Claims 1, 22-36, and 41 are currently pending and have been examined.

Election/Restrictions

3. Claims 2-21, 37-40, and 42-60 are withdrawn from further consideration pursuant to 37 CFR 1.142(b) as being drawn to nonelected species, there being no allowable generic or linking claim. Election was made **without** traverse in the reply filed on June 9, 2008.

Claim Rejections - 35 USC § 101

4. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1 and 22-36 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Claims 1 and 22-36 recite a process comprising the steps of selecting and defining. Based on Supreme Court precedent, a proper process must be tied to another statutory class or transform underlying subject matter to a different state or thing (*Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780,787-88 (1876)). Since neither of these requirements is met by the claim, the method is not considered a patent eligible process under 35 U.S.C. 101. To qualify as a statutory process, the claim should positively recite the other statutory class to which it is tied, for example by identifying the apparatus that accomplished the method steps or

positively reciting the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.

5. Claim 41 is rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Claim 41 is directed to a computer program per se or data structure of a computer or software and therefore not statutory under 35 U.S. C. 101. This is exemplified in In re Warmerdam 31 USPQ2d 1754 where the rejection of a claim to a disembodied data structure was affirmed. Thus a claim to a data structure, per se, or other functional descriptive material, including computer programs, per se, is not patent eligible subject matter.

Functional descriptive material claimed in combination with an appropriate computer readable medium to enable the functionality to be realized is patent eligible subject matter if it is capable of producing a useful, concrete and tangible result when used in the computer system. Compare Warmerdam to In re Lowry 32 USPQ2d 1031 where a memory with a data structure that increased computing efficiency was patentable.

The computer readable medium loaded with a computer program and in association with a computer provides the functional descriptive material in usable form to permit the functionality to be realized with the computer. A program product which does not explicitly include such a medium, a program per se, a signal or other type of transmission media that fails to include the hardware necessary to realize the functionality (e.g., a transmitter or a receiver), and a piece of paper with the functional descriptive material written on it are all examples of media which are not believed to enable the functionality to be realized with the computer. "[I]nstructions for creating..." is considered as a source code or software per se.

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject

matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
 2. Ascertaining the differences between the prior art and the claims at issue.
 3. Resolving the level of ordinary skill in the pertinent art.
 4. Considering objective evidence present in the application indicating obviousness or nonobviousness.
7. Claims 1, 22-36, and 41 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kelton (US 6,729,884 B1) and in view of Fischel (4,856,788).

Claim 1: Kelton et al, as shown, discloses the following limitations:

- With regard to the limitation of *selecting a non-scalar value structure*, Kelton et al, in at least column 4 lines 25-29 discloses "The terms 'kid value' or 'kid values' is defined herein as a value assigned to an item which is determined by the activity in which younger children and their items are engaged and by play potential inherent in that particular object".
- With regard to the limitation of *defining a financial instrument, the financial instrument having a plurality of characteristics*, Kelton et al, in at least column 5 lines 30-33 discloses, "the virtual collectible creature is imbued with artificial intelligence characteristics, mimicking the conventions of a financial instrument".

- With regard to the limitation of *selecting a type for the financial instrument*, Kelton et al, in at least column 8 lines 29-31 discloses "Preferably the e-Critter is imbued with the characteristics of a credit card, a certificate of deposit, a money market account or a mutual fund".

Kelton does not explicitly teach the limitation of *selecting a set of terms and conditions for the financial instrument, the terms and conditions containing one or more references to non-scalar values of said non-scalar value structure*. However, Fischel teaches a method wherein a set of rules are applied to different financial instrument classes, each financial instrument class having a different level of risk exposure involved (Fischel: col 6, lines 35-67). It would have been obvious to one of ordinary skill in the art to combine the elements cited in Kelton with the rules as taught by Fischel because the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately.

Claim 22: Kelton/Fischel teaches the limitation(s) as shown in the rejection of claim 1. In regard to the following limitation:

- *the financial instrument is used in an educational setting.*

Kelton further teaches using the financial instrument in an educational setting (See at least Kelton: Abstract).

Claim 23: Kelton/Fischel teaches the limitation(s) as shown in the rejection of claim 1. In regard to the following limitation:

- *the financial instrument is used in a recreational context.*

Kelton further teaches using the financial instrument in a recreational context (See at least Kelton: col 3, lines 5-25).

Claim 24: Kelton/Fischel teaches the limitation(s) as shown in the rejection of claim 1. In regard to the following limitation:

- *the financial instrument is used in a therapeutic context.*

Kelton further teaches using the financial instrument in a therapeutic context (See at least Kelton: col 3, lines 5-25).

Claim 25: Kelton/Fischel teaches the limitation(s) as shown in the rejection of claim 24. In regard to the following limitation:

- *said therapeutic context makes use of real and imaginary currencies associated with said non-scalar values.*

Kelton further teaches the use of real (See at least Kelton: col 9, lines 40-55) and imaginary currencies (See at least Kelton: col 8, lines 35-65) associated with non-scalar values (See at least Kelton: col 8, lines 50-60).

Claim 26: Kelton/Fischel teaches the limitation(s) as shown in the rejection of claim 25. In regard to the following limitation:

- *said therapeutic context is associated with a system that monitors the behavior of one or more players.*

Kelton further teaches a system where the operator monitors the behavior of each player (See at least Kelton: col 9, lines 15-20).

Claim 27: Kelton/Fischel teaches the limitation(s) as shown in the rejection of claim 26. In regard to the following limitation:

- *said system dynamically adjusts the players access to said real and imaginary currencies in response to said behavior.*

Kelton further teaches a system where an operator lets a player redeem points (thereby reducing the amount of points available to a player) to purchase merchandise (See at least Kelton: col 9, lines 20-30).

Claim 28: Kelton/Fischel teaches the limitation(s) as shown in the rejection of claim 1. In regard to the following limitation:

- *the financial instrument is used as part of a financial trading system.*

Kelton further teaches a system wherein a financial instrument is used as part of a financial trading system (See at least Kelton: col 8, lines 35-63).

Claim 29: Kelton/Fischel teaches the limitation(s) as shown in the rejection of claim 28. In regard to the following limitation:

- *said financial trading system is used for training of traders or other operational staff.*

Kelton/Fischel does not teach said limitation. However, the limitation of *said financial trading system is used for training of traders or other operational staff* is interpreted as an intended use of the financial trading system. The intended use limitation is not given patentable weight.

Claim 30: Kelton/Fischel teaches the limitation(s) as shown in the rejection of claim 29. In regard to the following limitation:

- *said training takes place in a real time trading environment.*

Kelton further teaches a real time trading environment (See at least Kelton: col 8, lines 40-63).

Claim 31: Kelton/Fischel teaches the limitation(s) as shown in the rejection of claim 28. In regard to the following limitation:

- *said financial trading system is used for simulation of trading strategies.*

Kelton/Fischel does not teach said limitation. However, the limitation of *said financial trading system is used for simulation of trading strategies* is interpreted as an intended use of said financial system. The intended use limitation is not given patentable weight.

Claim 32: Kelton/Fischel teaches the limitation(s) as shown in the rejection of claim 31. In regard to the following limitation:

- *said simulation takes place in a real-time trading environment.*

Kelton further teaches a real time trading environment (See at least Kelton: col 8, lines 40-63).

Claim 33: Kelton/Fischel teaches the limitation(s) as shown in the rejection of claim 28. In regard to the following limitation:

- *said financial trading system is used for optimization of trading strategies.*

Kelton/Fischel does not teach said limitation. However, the limitation of *said financial trading system is used for optimization of trading strategies* is interpreted as an intended use of the financial trading system. The intended use limitation is not given patentable weight.

Claim 34: Kelton/Fischel teaches the limitation(s) as shown in the rejection of claim 33. In regard to the following limitation:

- *said optimization takes place in a real-time trading environment.*

Kelton further teaches a real time trading environment (See at least Kelton: col 8, lines 40-63).

Claim 35: Kelton/Fischel teaches the limitation(s) as shown in the rejection of claim 28. In regard to the following limitation:

- *said financial trading system is used for risk management.*

Kelton/Fischel does not teach said limitation. However, the limitation of *said financial trading system is used for risk management* is interpreted as an intended use of the financial trading system. The intended use limitation is not given patentable weight.

Claim 36: Kelton/Fischel teaches the limitation(s) as shown in the rejection of claim 35. In regard to the following limitation:

- *said risk management takes place in a real-time trading environment.*

Kelton further teaches a real time trading environment (See at least Kelton: col 8, lines 40-63).

Claim 41: Kelton et al, as shown, discloses the following limitations:

- With regard to the limitation of *a means for selecting a non-scalar value structure*, Kelton et al, in at least column 4 lines 25-29 discloses "The terms 'kid value' or 'kid values' is defined herein as a value assigned to

an item which is determined by the activity in which younger children and their items are engaged and by play potential inherent in that particular object".

- With regard to the limitation of *a means for defining a financial instrument, the financial instrument having a plurality of characteristics*, Kelton et al, in at least column 5 lines 30-33 discloses, "the virtual collectible creature is imbued with artificial intelligence characteristics, mimicking the conventions of a financial instrument".
- With regard to the limitation of *means for selecting a type for the financial instrument*, Kelton et al, in at least column 8 lines 29-31 discloses "Preferably the e-Critter is imbued with the characteristics of a credit card, a certificate of deposit, a money market account or a mutual fund".

Kelton does not explicitly teach the limitation of *means for selecting a set of terms and conditions for the financial instrument, said terms and conditions including one or more references to the non-scalar value structure*. However, Fischel teaches a method wherein a set of rules are applied to different financial instrument classes, each financial instrument class having a different non-scalar level of risk exposure involved (Fischel: col 6, lines 35-67). It would have been obvious to one of ordinary skill in the art to combine the elements cited in Kelton with the rules as taught by Fischel because the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately.

Any inquiry of a general nature or relating to the status of this application or concerning this communication or earlier communications from the Examiner should be directed to **John Preston** whose telephone number is **571.270.3918**. The Examiner can normally be reached on Monday-

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Friday, 9:30am-5:00pm. If attempts to reach the examiner by telephone are unsuccessful, the Examiner's supervisor, **ALEXANDER KALINOWSKI** can be reached at **571.272.6771**.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://portal.uspto.gov/external/portal/pair> <<http://pair-direct.uspto.gov>>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at **866.217.9197** (toll-free).

Any response to this action should be mailed to:

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/John O Preston/
Examiner, Art Unit 3691
July 23, 2008